

1961

ANNUAL REPORT

OF

The Belt Railway Company

of **CHICAGO**

FOR THE

YEAR ENDED DECEMBER 31, 1961

BOARDS

MRb

652.0973

B 919 a

ORGANIZATION

DIRECTORS

R. G. RYDIN, The Atchison, Topeka and Santa Fe Ry. Co. Chicago, Ill.
M. I. DUNN, The Chesapeake and Ohio Ry. Co. Cleveland, Ohio
OWEN F. CLARKE, The Chesapeake and Ohio Ry. Co. Cleveland, Ohio
DAVID O. MATHEWS, Chicago & Eastern Illinois R.R. Co. Chicago, Ill.
H. C. MURPHY, Chicago, Burlington & Quincy R.R. Co. Chicago, Ill.
O. W. LIMESTALL, Chicago, Rock Island and Pacific R.R. Co. Chicago, Ill.
GARRET C. WHITE, Erie-Lackawanna R.R. Co. Cleveland, Ohio
H. A. SANDERS, Grand Trunk Western R.R. Co. Detroit, Mich.
O. H. ZIMMERMAN, Illinois Central R.R. Co. Chicago, Ill.
HENRY J. BUCHMAN, Monon R. R. New York, N. Y.
H. W. LARGE, The Pennsylvania R.R. Co. Chicago, Ill.
J. D. BOND, Soo Line R.R. Co. Minneapolis, Minn.
H. H. PEVLER, Wabash R.R. Co. St. Louis, Mo.

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At a Special Meeting of the Stockholders held on August 8, 1961, Mr. O. W. Limestall was elected a Director to fill the vacancy created by the resignation of Mr. F. J. Conrad.

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EXECUTIVE COMMITTEE

R. G. RYDIN, Chairman

H. W. LARGE
DAVID O. MATHEWS

H. C. MURPHY
H. A. SANDERS

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OFFICERS

President and General Manager L. A. EVANS
Vice President-Traffic F. J. WASSON
General Counsel F. C. GAGEN
Secretary and Treasurer J. R. EKHOLM
Auditor I. A. SCHILKE
Assistant Auditor C. L. HOLT
Assistant Secretary and Assistant Treasurer G. D. MORIARTY

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GENERAL OFFICES
DEARBORN STATION, CHICAGO, ILLINOIS

ANNUAL MEETING
SECOND TUESDAY IN APRIL

GENERAL REMARKS

Chicago, April 10, 1962

To the Stockholders of
The Belt Railway Company of Chicago

The Board of Directors herewith submits its report of operations for the year ended December 31, 1961.

OPERATING REVENUES:

Total operating revenues for the year were \$13,275,321 compared with \$14,257,516 in 1960, a decrease of \$982,195, or 6.9 per cent. Total loaded cars handled in Belt Separate Operation, which comprises the principal source of operating revenue, decreased 45,196, or 8.2 per cent, reflecting the decrease of 6.1 per cent in nation-wide carloadings for 1961.

RATES:

The question of increase in absorbed switching allowances under Ex Parte 223 effective October 24, 1960, was finally disposed of on February 23, 1961, by road haul carriers taking independent action with regard to increasing such allowances, the last independent action notice being given on April 27, 1961. The increase in switching allowances under the 223 order amounted to approximately 1 per cent and was made retroactive to the effective date of the order, October 24, 1960, on interstate traffic. Increase on intrastate traffic, other than Chicago Switching District, became effective January 27, 1961.

OPERATING EXPENSES:

Total gross operating expenses in 1961 were \$11,794,365, or \$687,018 (5.5 per cent) less than 1960; higher wage rates amounted to \$169,630. Operating ratio increased to 72.28 from 71.99 in 1960.

MAINTENANCE OF WAY AND STRUCTURES:

Gross Maintenance of Way and Structures expense decreased \$65,072, or 4.1 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$63,351, or 5.3 per cent, reflecting reduction in expenses principally in accounts "Roadway Maintenance," "Ties," "Rails," "Shops and Enginehouses," "Signals and Interlockers," and "Removing Snow, Ice, and Sand". Increase in account "Dismantling Retired Road Property" is due principally to retirement of tracks West Chicago Yard, retirement of portions of East and West Icing Platforms, Clearing Yard, and retirement of Division Street bridge. The increase in "Other Expenses" covers increased premium for improved hospitalization and welfare insurance benefits for non-operating employees effective March 1, 1961. Higher wages amounted to \$12,498.

Rail replacements in 1961 were 441 gross tons of new and 625 gross tons of secondhand rail, compared with renewal of 576 gross tons of new and 889 gross tons of secondhand rail in 1960.

There were 5,200 crossties and 67,730 feet B.M. switch ties installed during the year, compared with 6,019 crossties and 114,758 feet B.M. switch ties placed in 1960.

MAINTENANCE OF EQUIPMENT:

Gross Maintenance of Equipment expense decreased \$78,772, or 5.8 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$81,881, or 6.9 per cent, principally due to decrease in "Freight-train Cars - Repairs," reflecting decrease in labor and materials in line with class of repairs and reduction in business volume. Higher wages amounted to \$8,439.

TRAFFIC:

Gross Traffic expense increased \$5,875, or 5.6 per cent; that portion chargeable to Belt Railway Separate Operation increased \$3,837, or 4.6 per cent. Higher wages amounted to \$2,454.

TRANSPORTATION:

Gross Transportation expense decreased \$491,127, or 5.6 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$476,782, or 6.6 per cent. Higher wages amounted to \$142,459.

GENERAL:

Gross General expense decreased \$57,922, or 8.9 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$50,558, or 9.8 per cent. Higher wages amounted to \$3,780.

RAILWAY TAX ACCRUALS:

Increase of \$27,864 is due principally to increase in general property tax accrual, less decrease in payroll taxes due to less employment (Detail of Railway Taxes on page 6).

JOINT FACILITY RENT INCOME:

Decrease of \$420,181 is due to owner lines' proportion of interest on income tax deficiencies years 1948 through 1958 collected previous year, less increase in Belt deficit apportioned to owner lines, and increase in owner lines' proportion of rentals and taxes.

HIRE OF FREIGHT CARS:

Decrease of \$152,155, or 12.3 per cent, reflects the decrease in the number of per diem cars handled, together with faster handling of industrial cars.

MISCELLANEOUS INCOME CHARGES:

Decrease of \$549,467 is due principally to payment previous year of interest to Director of Internal Revenue on income tax deficiencies years 1948 through 1958.

RENT FOR LEASED ROADS AND EQUIPMENT:

Decrease of \$42,896 is due to decreased rental paid to the Chicago and Western Indiana Railroad Company on excess proceeds realized from sales of Belt Railway leased property.

DIVIDEND:

In view of the deficit from Belt Railway operations for the year 1961, no dividend was paid.

WAGE AND LABOR RELATIONS:

Improved hospital, surgical and medical benefits for non-operating employees as provided for in an agreement made on August 19, 1960, and group life insurance in the amount of \$4,000 provided for in that agreement were made effective March 1, 1961.

Formal notices to increase existing wage rates, also rule changes were served under the provisions of the Railway Labor Act by employees represented by cooperating non-operating labor organizations on September 1, 1961. Counter proposals were served on the employees on September 18, 1961. Initial conferences were held without reaching agreement and a Western Carriers' Conference Committee was authorized to represent the Belt in the concurrent handling of all matters involved.

The Presidential Commission established during the latter part of 1960 to investigate and report on the carriers' proposals and operating employees counter proposals involving the so-called featherbedding rules made its report and recommendations February 27, 1962, which was accepted by the railroad industry.

ADDITIONS AND BETTERMENTS:

Additions and Betterments are indicated in detail on pages 10 and 11.

NEW INDUSTRIES:

During the year ten new industries were located and twenty-eight vacated, compared with twelve located and twenty-one vacated in 1960.

During the year CHICAGO Industrial District purchased from the U. S. Government the engine plant facilities constructed for operation by the Dodge Chicago Plant, Division of Chrysler Corporation, which plant was last operated by Ford. Part of the facilities will be turned into a shopping center, and the balance of the facilities and property will be developed industrially.

Crooks Terminal Warehouses, Incorporated terminated its lease of Belt dockhouse at 103rd Street, South Chicago, on April 30, 1961. Effective June 1, 1961, the dockhouse was leased to General Mills, Incorporated and was occupied November 13, 1961.

LAKE CARGO COAL:

Lake cargo coal operation at the Rail to Water Transfer Corporation facilities, South Chicago, opened March 27, approximately four days earlier than in 1960, and closed December 2, five days later than the previous year's closing. Coal tonnage handled over the facilities during the year totaled 4,954,907, a decrease of 413,853 tons, or 7.7 per cent, under the previous year.

CHICAGO REGIONAL PORT AUTHORITY:

The proceeding brought by the Rock Island and Nickel Plate to set aside the order of the Interstate Commerce Commission in Finance Docket No. 19742, et al, authorizing the Belt and other railroads to serve the Calumet Port District at Lake Calumet in Cook County, Illinois, is pending in the District Court of the United States for the Northern District of Ohio, Eastern Division.

EXERCISE OF BELT OPTION:

On March 10, 1961, The Belt Railway Company of Chicago gave to Chicago and Western Indiana Railroad Company its notice and agreement in writing that it elects to and will exercise its right to acquire on September 1, 1962, the Belt Railway, together with such additions, alterations and improvements as shall have been made thereto for the consideration calculated as prescribed in Section 9 of Article One of indenture dated November 1, 1912, as amended, between Chicago and Western Indiana Railroad Company, The Belt Railway Company of Chicago, and Bankers Trust Company, as trustee under the First and Refunding Mortgage of Chicago and Western Indiana Railroad Company, dated September 2, 1912.

Detailed statement of the accounts of the Company will be found in the following tables.

The Board desires to express its appreciation for the cooperation and contributions of the employees and managerial staffs during the year.

Respectfully submitted by order of the Board of Directors.

L. A. EVANS

President and General Manager

INCOME STATEMENT

For the Year ended December 31, 1961, compared with the
Year ended December 31, 1960

	1961	1960	Increase or (Decrease)
RAILWAY OPERATING REVENUES:			
Intermediate switching	\$ 5,187,223	\$ 5,596,957	\$(409,734)
Local switching	7,728,135	8,157,867	(429,732)
Demurrage	297,490	455,871	(158,381)
Rents of buildings and other property....	1,045	1,042	3
Miscellaneous	61,428	45,779	15,649
Total railway operating revenues.....	\$13,275,321	\$ 14,257,516	\$(982,195)
RAILWAY OPERATING EXPENSES:			
Maintenance of way and structures	\$ 1,141,027	\$ 1,204,378	\$(63,351)
Maintenance of equipment	1,109,227	1,191,108	(81,881)
Traffic	87,598	83,761	3,837
Transportation-Rail line	6,793,999	7,270,781	(476,782)
General	463,980	514,538	(50,558)
Total railway operating expenses.....	\$ 9,595,831	\$ 10,264,566	\$(668,735)
(Detail pages 13-16)			
Net revenue from railway operations	\$ 3,679,490	\$ 3,992,950	\$(313,460)
Operating ratio	72.28	71.99	.29
RAILWAY TAX ACCRUALS:			
General property	\$ 1,125,094	\$ 977,308	\$ 147,786
Federal income	79,426	140,000	(60,574)
Retirement	443,819	481,577	(37,758)
Unemployment	246,596	267,521	(20,925)
Other	5,974	6,639	(665)
Total railway tax accruals	\$ 1,900,909	\$ 1,873,045	\$ 27,864
Railway operating income.....	\$ 1,778,581	\$ 2,119,905	\$(341,324)
RENT INCOME:			
Rent from locomotives	\$ 24,464	\$ 30,986	\$(6,522)
Rent from work equipment	2,570	1,482	1,088
Joint facility rent income	1,026,241	1,446,422	(420,181)
Total rent income	\$ 1,053,275	\$ 1,478,890	\$(425,615)
RENTS PAYABLE:			
Hire of freight cars-Debit balance.....	\$ 1,083,136	\$ 1,235,291	\$(152,155)
Rent for locomotives	21	16	5
Rent for work equipment	145	(78)	223
Joint facility rents	129,144	166,055	(36,911)
Total rents payable	\$ 1,212,446	\$ 1,401,284	\$(188,838)
Net rents	\$(159,171)	\$ 77,606	\$(236,777)
Net railway operating income	\$ 1,619,410	\$ 2,197,511	\$(578,101)

INCOME STATEMENT - Concluded
For the Year ended December 31, 1961, compared with the
Year ended December 31, 1960

	1961	1960	Increase or (Decrease)
OTHER INCOME:			
Income from lease of road and equipment	\$ 30,963	\$ 30,823	\$ 140
Miscellaneous rent income	134,644	115,001	19,643
Interest income	47,125	63,113	(15,988)
Miscellaneous income	14,144	169	13,975
Total other income	\$ 226,876	\$ 209,106	\$ 17,770
Total income	\$1,846,286	\$2,406,617	\$(560,331)
MISCELLANEOUS DEDUCTIONS FROM INCOME:			
Miscellaneous rents	\$ 1,821	\$ 1,800	\$ 21
Miscellaneous income charges	38,018	587,485	(549,467)
Total miscellaneous deductions	\$ 39,839	\$ 589,285	\$(549,446)
Income available for fixed charges	\$1,806,447	\$1,817,332	\$(10,885)
FIXED CHARGES:			
Rent for leased roads and equipment	\$1,766,510	\$1,809,406	\$(42,896)
(Detail page 12)			
Interest on funded debt	40,225	22,258	17,967
Total fixed charges	\$1,806,735	\$1,831,664	\$(24,929)
Income after fixed charges	\$(288)	\$(14,332)	\$ 14,044

RETAINED INCOME - UNAPPROPRIATED
To December 31, 1961

Debit balance January 1, 1961	\$ 1,273,475
Debit balance transferred from income - Year 1961	288
Debit balance December 31, 1961	\$ 1,273,763

COMPARATIVE GENERAL BALANCE SHEET ASSETS

	December 31, 1961	December 31, 1960	Increase or (Decrease)
CURRENT ASSETS:			
Cash	\$ 42,778	\$ 80,943	\$ (38,165)
Temporary cash investments	1,726,221	1,295,578	430,643
Special deposits	-	13,354	(13,354)
Traffic and car-service balances-Dr..	214,518	287,387	(72,869)
Net balances receivable from agents and conductors	43,595	79,306	(35,711)
Miscellaneous accounts receivable ...	992,513	876,392	116,121
Interest and dividends receivable ...	3,521	3,538	(17)
Accrued accounts receivable	693,563	730,778	(37,215)
Working fund advances	699	699	-
Prepayments	84,673	106,306	(21,633)
Material and supplies	523,832	633,961	(110,129)
Total current assets	\$ 4,325,913	\$ 4,108,242	\$ 217,671
SPECIAL FUNDS:			
Insurance and other funds	\$ 13,354	\$ -	\$ 13,354
INVESTMENTS:			
Other investments	\$ 1,697,098	\$ 1,697,098	\$ -
PROPERTIES:			
Road	\$ 524	\$ 524	\$ -
Equipment (See pages 11 and 18)	4,336,985	4,332,827	4,158
Improvements on leased property	20,120	17,795	2,325
Total transportation property	4,357,629	4,351,146	6,483
Accrued depreciation - Equipment	(1,941,195)	(1,771,416)	(169,779)
Total transportation property less recorded depreciation and amortization	\$ 2,416,434	\$ 2,579,730	\$ (163,296)
OTHER ASSETS AND DEFERRED CHARGES:			
Other assets	\$ 21,871	\$ 12,957	\$ 8,914
Reserve for replacement of equip- ment leased from C&WI R. R. Co. - Retired-Equipment purchased from payments made by Belt Ry. Co. in anticipation of retirements	909,760	909,760	-
Other deferred charges	3,515	3,535	(20)
Total other assets and deferred charges	\$ 935,146	\$ 926,252	\$ 8,894
Total assets	\$ 9,387,945	\$ 9,311,322	\$ 76,623

NOTE.-Equipment leased by this company from Chicago and Western Indiana Railroad Company as of December 31, 1961, is valued at \$1,958,931 including \$931,152 inventory value of equipment leased November 1st, 1912.

DECEMBER 31, 1961 AND DECEMBER 31, 1960 LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1961	December 31, 1960	Increase or (Decrease)
CURRENT LIABILITIES:			
Audited accounts and wages payable.....	\$ 648,245	\$ 604,173	\$ 44,072
Miscellaneous accounts payable	188,404	201,330	(12,926)
Unmatured interest accrued	664	1,991	(1,327)
Accrued accounts payable	110,920	128,869	(17,949)
Federal income taxes accrued	85,000	120,000	(35,000)
Other taxes accrued	1,215,440	1,128,306	87,134
Other current liabilities	14,240	10,002	4,238
Total current liabilities	\$ 2,262,913	\$ 2,194,671	\$ 68,242
LONG-TERM DEBT, DUE, WITHIN ONE YEAR:			
Equipment obligations and other debt ...	\$ 118,000	\$ 236,000	\$ (118,000)
LONG-TERM DEBT:			
Equipment obligations	\$ -	\$ 118,000	\$ (118,000)
Amounts payable to affiliated companies.	2,167,545	2,101,074	66,471
Total long-term debt	\$ 2,167,545	\$ 2,219,074	\$ (51,529)
OTHER LIABILITIES AND DEFERRED CREDITS:			
Other liabilities	\$ 7,812	\$ 17,770	\$ (9,958)
Reserve for replacement of equipment leased from C&WI R.R. Co. - Retired - Equipment in the original inventory and replacements thereof	678	678	-
Reserve for replacement of equipment leased from C&WI R.R. Co. - Retired - Equipment purchased from bond proceeds and replacements thereof	131,367	131,367	-
Reserve for replacement of fixed physical property retired and not replaced. Lease November 1, 1912 with C&WI R.R. Co.	3,395	3,395	-
Other deferred credits	18,754	10,481	8,273
Reserve for depreciation on road property leased from C&WI R.R. Co.	1,825,699	1,717,971	107,728
Reserve for depreciation on equipment leased from C&WI R.R. Co.	1,005,545	933,389	72,156
Total other liabilities and deferred credits	\$ 2,993,250	\$ 2,815,051	\$ 178,199
SHAREHOLDERS' EQUITY:			
Capital stock issued (A)	\$ 3,120,000	\$ 3,120,000	\$ -
Retained income - unappropriated	(1,273,763)	(1,273,474)	(289)
Total Shareholders' equity	\$ 1,846,237	\$ 1,846,526	\$ (289)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 9,387,945	\$ 9,311,322	\$ 76,623

(A) Owned one-thirteenth each - AT&SF, C&EI, CB&Q, CRI&P, Erie-Lackawanna, GTW, IC, Monon, Penn., Wabash, Soo Line. Two-thirteenths C&O.

ADDITIONS AND BETTERMENTS For the year ended December 31, 1961

ROAD LEASED FROM C&WI R.R. CO.:		
EXPENDITURES AND RETIREMENTS DURING THE YEAR:		
Added:		
Building and Yard Facilities - 22nd Street		\$ 63,648
Increase weight of rail improved frogs and switches:		
Clearing Yard	13,899	
Outside Clearing Yard	3,762	
Roadway machines and tools	9,302	
Missco Hi-Ball switch heaters	5,791	
Industry Tracks:		
National Steel Container Corp. .	2,794	
Pratt Lambert Co.	1,978	
Highway crossing gates 63rd & Harlem Ave.	2,677	
Equipment for testing & repairing relays	1,861	
Miscellaneous improvements and adjustments:		
Clearing Yard	6,075	
Outside Clearing Yard	1,191	
		\$112,978
Retired:		
Buildings and tracks - North End ...	\$104,960	
East Yard icing facilities & upper deck & ice crusher		
West Yard facilities Clearing.....	30,065	
Harlem Ave. Highway Crossing	7,189	
Flasher light signals 63rd & Harlem	2,860	
Stub-track west of Ashland Ave.	1,746	
Miscellaneous facilities	1,312	148,132
Net expenditures during the year:		
Road Leased		\$(35,154)

ADDITIONS AND BETTERMENTS - Concluded
For the year ended December 31, 1961

Brought forward			\$ (35,154)
EQUIPMENT LEASED FROM C&WI R.R. CO.:			
Expenditures and Retirements during the Year:			
Added:			
Chevrolet Truck No. A46	\$ 2,877		
Chevrolet Truck No. A47	2,877		
Chevrolet 1 ton Panel Truck No. A48..	2,505		
Chevrolet Truck No. A49	2,769		
Chevrolet Truck No. A50	2,312		
Net expenditures during the year:			
Equipment Leased			13,340
Total leased additions and betterments			\$ (21,814)
EQUIPMENT OWNED:			
Expenditures and Retirements during the Year:			
Added:			
Multiple control units on Locos. 520, 521, 522 and 523	\$ 2,992		
Propane gas-driven generator on car No. 1891	1,150		
Radio equipment on Loco No. 409	16		
Net expenditures during the year.....			4,158
Total leased and owned for the year 1961			\$ (17,656)

RENT FOR LEASED ROADS AND EQUIPMENT
For the Year ended December 31, 1961, compared with the
Year ended December 31, 1960

	1961	1960	Increase or (Decrease)
CHICAGO AND WESTERN INDIANA R.R.:			
Interest for one year at 4½%, as follows:			
\$14,000,000, the value placed upon the Belt Division of the Chicago and Western Indiana R.R. as it existed on May 11, 1911 and \$4,400,000, the cost to the Chicago and Western Indiana R.R. Co. of acquiring the property of Chicago Union Transfer Ry. Co.	\$ 828,000	\$ 828,000	\$.....
Interest for one year at 4% upon \$996,000 Consolidated Mortgage Bonds Chicago and Western Indiana R.R. Co. issued and used for additions and betterments to the Belt Division, made or acquired between May 11, 1911 and September 2, 1912.....	39,840	39,840	.....
Interest for one year at 5½% on \$2,993,694.24 represented by First and Refunding Mortgage Series "A" Bonds and \$98,000 Series "C" Bonds in sinking fund	170,043	170,043	.....
Interest for one year at 4½% on \$6,261,970.79 represented by First and Refunding Mortgage Series "D" Bonds in sinking fund Sept. 1, 1952..	266,134	266,134	.....
Interest for one year at 4-3/8% on \$6,478,436.75 First Collateral Trust Mortgage Series "A" Bonds to retire outstanding First and Refunding Mortgage 4½ Series "D" Bonds called for redemption September 1, 1952, interest at 4-3/8% on \$1,719,129.19 (new money) First Collateral Trust Mortgage Series "A" Bonds sold May 28, 1952, proceeds of which were or will be expended for future additions and betterments, also repayment of Bank loans and reimbursement of Treasury cash	358,644	358,644	.....
Payment to C&WI R.R. Co. as rental, income tax on profit from sales of Belt Ry. Co. leased property, amortization over the period of the lease of November 1, 1912 the Belt Ry. Co. proportion of expenses in connection with refinancing through sale of 4½ Bonds. Credit of interest at 4½% on \$301,237.63 covering adjustment of Joint Facility Zone rental and other miscellaneous rental charges.....	29,774	84,077	(Note A) (54,303)
Total	\$1,692,435	\$1,746,738	\$(54,303)
CHICAGO, PEORIA & WESTERN RY. CO.			
Track at Argo, Illinois	2,259	2,259	.....
CLEARING INDUSTRIAL DISTRICT, INC.			
Land and tracks at Clearing, Ill.	71,795	60,388	11,407
AMERICAN BRAKE SHOE AND FOUNDRY CO.			
Strip of land located at 26th St. and Kenton Ave.	11	11	.....
RAIL TO WATER, INC.			
Land in the vicinity of 100th Street and Calumet River	10	10	.....
Total	\$1,766,510	\$1,809,406	\$(42,896)

Note "A": Due principally to decrease in payment to Chicago and Western Indiana Railroad Company for income tax on profit from sales of Belt Ry. Co. leased property.

OPERATING EXPENSES

For the Year ended December 31, 1961, compared with the
Year ended December 31, 1960

	1961	1960	Increase or (Decrease)
MAINTENANCE OF WAY AND STRUCTURES:			
Superintendence	\$ 132,175	\$ 133,708	\$(1,533)
Roadway maintenance	108,156	115,888	(7,732)
Bridges, trestles, and culverts	15,257	10,899	4,358
Ties	31,582	47,672	(16,090)
Rails	56,455	61,530	(5,075)
Other track material	76,018	71,369	4,649
Ballast	822	1,610	(788)
Track laying and surfacing	266,523	256,621	9,902
Fences, snowsheds, and signs	2,123	1,616	507
Station and office buildings	51,600	52,991	(1,391)
Roadway buildings	9,074	10,819	(1,745)
Water stations	1,276	1,948	(672)
Fuel stations	763	458	305
Shops and enginehouses	31,621	38,332	(6,711)
Wharves and docks	35	40	(5)
Communication systems	34,768	25,565	9,203
Signals and interlockers	211,527	234,960	(23,433)
Power plants	5,655	7,572	(1,917)
Power-transmission systems	42	-	42
Miscellaneous structures	9,712	8,053	1,659
Road property - Depreciation (Leased)..	162,363	159,838	2,525
Retirements - Road	1,719	8,848	(7,129)
Roadway machines	12,890	16,653	(3,763)
Dismantling retired road property	27,464	11,323	16,141
Small tools and supplies	24,220	25,395	(1,175)
Removing snow, ice, and sand	67,370	116,849	(49,479)
Public improvements - Maintenance	6,154	6,994	(840)
Injuries to persons	8,628	11,638	(3,010)
Insurance	36,439	29,648	6,791
Stationery and printing	2,884	2,286	598
Other expenses	35,677	20,729	14,948
Right-of-way expenses	385	-	385
Maintaining joint tracks, yards and other facilities - Dr.	95,714	100,311	(4,597)
Gross total	\$1,527,091	\$1,592,163	\$(65,072)
Maintaining joint tracks, yards and other facilities - Cr.	386,064	387,785	(1,721)
Net - Belt Railway - Separate operation	\$1,141,027	\$1,204,378	\$(63,351)
Ratio to operating expenses	8.60	8.45	.15

OPERATING EXPENSES - Continued
For the Year ended December 31, 1961, compared with the
Year ended December 31, 1960

	1961	1960	Increase or (Decrease)
MAINTENANCE OF EQUIPMENT:			
Superintendence	\$ 78,689	\$ 76,146	\$ 2,543
Shop machinery	6,452	15,247	(8,795)
Power-plant machinery	25,236	16,419	8,817
Shop and power plant machinery - Depreciation (Leased)	10,770	10,770	-
Dismantling retired shop and power plant machinery	-	-	-
Other locomotives - Repairs	468,472	469,498	(6,026)
Freight-train cars - Repairs	229,674	292,530	(62,856)
Work equipment - Repairs	2,976	4,057	(1,081)
Miscellaneous equipment - Repairs	11,635	10,293	1,342
Dismantling retired equipment (Leased)	-	121	(121)
Equipment - Depreciation (Leased)	72,156	68,745	3,411
Equipment - Depreciation (Owned)	169,529	169,587	(58)
Injuries to persons	6,101	14,904	(8,803)
Insurance	55,859	58,185	(2,326)
Stationery and printing	4,058	4,448	(390)
Other expenses	27,304	20,372	6,932
Joint maintenance of equipment expenses - Dr.	122,012	133,373	(11,361)
Gross total	\$1,285,923	\$1,364,695	\$ (78,772)
Joint maintenance of equipment expenses - Cr.	176,696	173,587	3,109
Net - Belt Railway - Separate operation	\$1,109,227	\$1,191,108	\$ (81,881)
Ratio to operating revenues	8.35	8.34	.01
TRAFFIC:			
Superintendence	\$ 30,115	\$ 29,482	\$ 633
Outside agencies	76,626	69,575	7,051
Advertising	1,509	3,279	(1,770)
Stationery and printing	2,592	2,714	(122)
Other expenses	162	79	83
Gross total	\$ 111,004	\$ 105,129	\$ 5,875
Charged to Owner Line operation	23,406	21,368	2,038
Net - Belt Railway - Separate operation	\$ 87,598	\$ 83,761	\$ 3,837
Ratio to operating revenues	.66	.59	.07

OPERATING EXPENSES - Continued
For the Year ended December 31, 1961, compared with the
Year ended December 31, 1960

	1961	1960	Increase or (Decrease)
TRANSPORTATION - RAIL LINE:			
Superintendence	\$ 315,153	\$ 382,123	\$(66,970)
Dispatching trains	58,792	61,128	(2,336)
Station employees	767,744	868,547	(100,803)
Weighing, inspection, and demurrage bureaus	4,572	5,316	(744)
Station supplies and expenses	72,598	77,043	(4,445)
Yardmasters and yard clerks	518,855	569,528	(50,673)
Yard conductors and brakemen	2,419,591	2,564,606	(145,015)
Yard switch and signal tenders	355,790	356,343	(553)
Yard enginemen	1,642,591	1,747,918	(105,327)
Yard switching fuel	303,170	308,842	(5,672)
Water for yard locomotives	3,535	2,174	1,361
Lubricants for yard locomotives	34,383	37,537	(3,154)
Other supplies for yard locomotives	25,385	27,894	(2,509)
Enginehouse expenses - Yard	173,395	176,200	(2,805)
Yard supplies and expenses	550,444	592,933	(42,489)
Crossing protection	42,140	45,034	(2,894)
Communication system operation	20,536	20,139	397
Stationery and printing	67,015	69,065	(2,050)
Other expenses	91,992	48,985	43,007
Insurance	57,193	57,830	(637)
Clearing wrecks	29,974	26,908	3,066
Damage to property	24,425	13,328	11,097
Loss and damage - Freight	103,508	87,379	16,129
Injuries to persons	85,106	64,694	20,412
Operating joint yards and terminals - Dr.	511,981	559,501	(47,520)
Gross total	\$8,279,868	\$8,770,995	\$(491,127)
Operating joint yards and terminals - Cr.	1,485,869	1,500,214	(14,345)
Net - Belt Railway - Separate operation	\$6,793,999	\$7,270,781	\$(476,782)
Ratio to operating revenues	51.18	51.00	.18

OPERATING EXPENSES - Concluded
For the Year ended December 31, 1961, compared with the
Year ended December 31, 1960

	1961	1960	Increase or (Decrease)
GENERAL:			
Salaries and expenses of general officers	\$ 102,428	\$ 123,662	\$(21,234)
Salaries and expenses of clerks and attendants	274,192	298,912	(24,720)
General office supplies and expenses	42,103	47,241	(5,138)
Law expenses	51,450	54,977	(3,527)
Insurance	26,038	22,713	3,325
Pensions and gratuities	40,603	45,442	(4,839)
Stationery and printing	10,756	15,483	(4,727)
Valuation expenses	282	359	(77)
Other expenses	38,154	34,917	3,237
General joint facilities - Dr.	4,473	4,695	(222)
Gross total	\$ 590,479	\$ 648,401	\$(57,922)
General joint facilities - Cr.	126,499	133,863	(7,364)
Net - Belt Railway - Separate operation	\$ 463,980	\$ 514,538	\$(50,558)
Ratio to operating revenues	3.49	3.61	.12
Total gross	\$11,794,365	\$12,481,383	\$(687,018)
Total deductions	2,198,534	2,216,817	(18,283)
Total operating expense - Belt Railway - Separate operation	\$ 9,595,831	\$10,264,566	\$(668,735)
Ratio to operating expenses	72.28	71.99	.29
Operating revenue per car	\$ 14.295	\$ 14.197	\$.098
Operating expenses per car	\$ 10.333	\$ 10.221	\$.112

CARS HANDLED

Cars Handled by The Belt Railway Company of Chicago in its "Separate Operations"	1961		1960		Increase or (Decrease) Percent
	Number	Percent	Number	Percent	
INTERCHANGE:					
Loaded cars	277,533	29.88	304,974	30.37	(9.00)
Empty cars	207,378	22.33	224,396	22.35	(7.58)
LOCAL:					
Loaded cars	229,255	24.69	247,010	24.59	(7.19)
Empty cars	214,496	23.10	227,889	22.69	(5.88)
Total	928,662	100.00	1,004,269	100.00	(7.53)
TOTAL:					
Loaded cars	506,788	54.57	551,984	54.96	(8.19)
Empty cars	421,874	45.43	452,285	45.04	(6.72)
Total	928,662	100.00	1,004,269	100.00	(7.53)
Cars interchanged directly between Owner Roads at Clearing and other yards, being handled by The Belt Railway through those yards	413,898		446,634		(7.33)
Cars handled by Owner Lines in direct movement over Belt Railway Co. of Chicago.....	365,823		340,463		7.45
Total cars handled	1,708,383		1,791,366		(4.63)

The following statement shows the number of cars handled by The Belt Railway Company of Chicago in its "separate operations" annually during the past five years.

Year	Interchange		Local		Total Cars
	Loaded	Empty	Loaded	Empty	
1957	348,887	303,703	301,219	281,233	1,235,042
1958	298,936	276,107	265,701	250,291	1,091,035
1959	316,781	235,163	267,486	253,362	1,072,792
1960	304,974	224,396	247,010	227,889	1,004,269
1961	277,533	207,378	229,255	214,496	928,662

The following statement shows the number of cars interchanged during the last five years directly between Owner Roads at Clearing and other yards, being handled by the Belt Railway through those yards, also cars handled by Owner Lines in direct movement over The Belt Railway Company of Chicago.

Year	Number of Cars
1957	733,570
1958	827,565
1959	806,877
1960	787,097
1961	779,721

EQUIPMENT LEASED FROM C. & W. I. R.R. CO.

	Number on Hand Dec. 31 1960	Number Added During Year	Number Retired During Year	Number on Hand Dec. 31 1961
Locomotives:				
Diesel	16	-	-	16
Freight-Train Cars:				
Box	1	-	-	1
Caboose	28	-	-	28
Total	29	-	-	29
Work Equipment:				
Wrecking derrick	1	-	-	1
Diesel clamshell	1	-	-	1
Tool car	1	-	-	1
Commissary car	1	-	-	1
Total	4	-	-	4
Miscellaneous Equipment:				
Automobile trucks	12	5	-	17
Automobile trailer	1	-	-	1
Total	13	5	-	18

EQUIPMENT OWNED

Locomotives:				
Diesel	30	-	-	30
Freight-Train Cars:				
Caboose	5	-	-	5
Box	1	-	-	1
Total	6	-	-	6
Work Equipment:				
Flat cars	4	-	-	4
Gondola cars	2	-	-	2
Truck car	1	-	-	1
Refrigerator car	1	-	-	1
Instruction car	1	-	-	1
Total	9	-	-	9
Miscellaneous Equipment:				
Automobile trucks	3	-	-	3
Station Wagon	1	-	-	1
Total	4	-	-	4

MILEAGE OF TRACK OPERATED

A - Leased From C&WI R.R. Co. B - Leased From Other Companies C - Operated Under Trackage Rights C&WI R.R. Co. D - Operated Under Trackage Rights - Other Companies	1961				
	First Main	Second Main	Other Mains	Yard Tracks and Sidings	Total
A - 1 - Cragin to Pullman Junction	19.32	19.31	.....	56.86	95.49
2 - Pullman Jct. to Commercial Ave. ..	2.10	2.05	.....	34.03	38.18
3 - Commercial Ave. to Steel Mills ...	.....	.....	.....	1.06	1.06
4 - Commercial Ave. to So. Deering ...	.....	.....	.....	37.49	37.49
5 - Main Line 55th St. to Elsdon	1.51	.....	.....	.17	1.68
6 - Clearing Yard, Incl. 59th St. Line	4.23	4.24	.....	175.96	184.43
Total	27.16	25.60	.....	305.57	358.33
B - 7 - Chicago, Peoria & Western (Argo) ..	.....	.....	.....	.52	.52
8 - Clearing Industrial District (North)	.....	.....	.....	12.89	12.89
8A - Clearing Industrial District (South)	.....	.....	.....	1.74	1.74
Total .....	.....	.....	.....	15.15	15.15
C - 9 - Pullman Jct. to Burnham	6.75	6.77	2.30	4.69	20.51
10 - 80th to 134th St. (Dolton Branch).	6.74	6.76	3.81	.29	17.60
11 - 40th St. to 74th St. ....	.....	.....	4.26	.....	4.26
Total	13.49	13.53	10.37	4.98	42.37
D - 12 - C. R. I. & P. Ry. - South Chicago .....	.....	.....	.....	1.57	1.57
13 - P. F. W. & C. Ry. - South Chicago .....	.....	.....	.....	.09	.09
14 - I. H. B. R. R. - 55th to Elsdon	1.41	1.40	.....	.....	2.81
15 - B. & O. C. T. R. R. Clearing to Proviso.	9.05	8.09	.....	13.70	30.84
16 - B. & O. C. T. R. R. Southwest Division. (Cicero District) .....	.....	.....	.....	6.08	6.08
17 - N. Y. C. & St. L. R. R. - Ford Yd. & Lead.	.....	.....	.....	1.26	1.26
18 - Calumet Western R. R. 112th to 116th Sts.	.51	.....	.....	.....	.51
19 - Pennsylvania R. R. & I. H. B. R. R. (Joint) 116th to 117th Sts.	.11	.....	.....	.....	.11
20 - Chicago West Pullman and Southern R. R. So. Chicago .....	.....	.....	.....	.09	.09
21 - Elgin Joliet & Eastern Ry. Burnham	.....	.....	.....	.17	.17
Total	11.08	9.49	.....	22.96	43.53
Grand Total	51.73	48.62	10.37	348.66	459.38

*Trackage Rights Not Exercised.

Above figures do not include yard tracks leased to The Belt Railway Co. of Chicago by Chicago and Western Indiana Railroad Co., but operated exclusively as follows:

1961

1.46 Miles - Warner Branch by C. W. P. & S. R. R.

9.20 Miles - Rockwell St. Yard by C. & O. Ry. Co.

10.66 Miles - Leased to but not operated by The Belt Ry. Co. of Chicago

TRACAGE RIGHTS GRANTED OTHER COMPANIES

Company	Location	Miles of Road 1961
I. H. B. R. R.	Elsdon Branch	1.51
E. J. & E. Ry.	South Chicago to Millgate & South Deering	3.40
Chicago Short Line .	South Chicago to South Deering	2.90
Total		7.81